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**ARIZONA CORPORATION COMMISSION**

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August 6, 2009

**Re: Wickenburg Ranch Rehearing; Docket No. W-03994A-07-0657.**

Dear Colleagues and Parties,

Commission Decision No. 70741 granted Wickenburg Ranch ("WR") an increase in rates and included certain conditions related to water conservation measures. These measures included the implementation of 10 best management practices, a prohibition on the sale of groundwater for irrigation of golf courses and filing of compliance tariffs for consideration of xeriscape landscaping and rain catchment systems. WR filed for rehearing, contesting the lawfulness of the above listed water conservation conditions. On March 16, 2009 the Commission granted WR's application for rehearing of Decision No. 70741, and the case was set for rehearing by procedural order. Initial briefs were filed, and hearings held. Post hearing briefs are due August 14, 2009.

From my review of the rehearing processes and the docket, it appears that WR has indicated it is strongly committed to the goal of implementing the best water conservation measures for the company and its community, and has suggestions for reaching that goal. Because of the unrelenting strain on Staff and Commission resources during these busy and demanding times, it appears that it may be appropriate for the Commission to mitigate the strain on resources by an alternative method of reaching a resolution of the issues raised herein. The alternative method I am contemplating would provide the Company an opportunity to present its suggestions for reaching what is clearly a mutual goal of water conservation measures that work for the Company and its customers, and in addition serve to realize the Commissioners' commitment to preserving water resources to ensure customers have critical water service available when needed.

Under the limited circumstances presented in this unique case, where the company received its initial rates over 35 years ago, has never served a single water customer, requested new rates to support its newly planned development and has agreed with Staff that its rate application would be treated similarly to an initial CC&N application, it may be best to stay further proceedings in this matter, and instead provide the Company the opportunity it seeks to present its suggestions to the Commission on how to ensure water conservation measures work for all concerned. Therefore, I am placing this matter on the next Commission Staff Open meeting for discussion and consideration of staying the proceedings on rehearing, as well modifying Decision No. 70741 under ARS 40-252 to amend, delete and/ or stay the implementation and filing requirements of the contested provisions.

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Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes", with a stylized, cursive script.

Kris Mayes  
Chairman

Cc: Commissioner Pierce  
Commissioner Kennedy  
Commissioner Stump  
Commissioner Newman  
Steve Olea  
Ernest Johnson  
Janice Alward  
Rebecca Wilder